(c) The annual production of these presses will be 4975 million pieces each at fully capacity.

(d) After the two presses are commissioned, it is expected that requirement of fresh bank notes as projected by RBI would be fully met.

Unutilised foreign aid funds

342. SHRI VIREN J. SHAH: Will the Minister of FINANCE be pleased to state:

(a) whether he is aware that a large proportion of foreign aid funds remain unutilised because of either non-availability of appropriate projects as also due to lack of matching grants by India; and

(b) if so, what steps are being taken to remove the lacunae and to ensure that such aid is utilised as quickly as possible ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) and (b) A number of factors have contributed to less than anticipated utilisation of external loans/ credits. These include delay in securing mandatory approvals, resolution of technical issues, procurement and implementation delays and inadequate availability of counter-part funds.

The progress of projects financed with foreign assistance are constantly being reviewed. Procedures for approvals have been simplified and progress of projects is being monitored with a view to improving the disbursement of loans/credits already committed.

Fall in rupee value in relation to major international currencies

343. SHRI VIREN J. SHAH:
SHRI MURLIDHAR CHANDRAKANT BHANDARE:
SHRI MAHENDRA PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) what are the reasons behind the steep fall in the value of rupee in relation to other currencies like the Dollar, Pound, Sterling, Yen, Deutschemark, etc.;

(b) whether Government are aware that further devaluation of rupee could be counter-productive in our efforts to improve the balance of payments position; and

(c) what would be the rates at which the value of rupee is to be stabilised?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) The value of rupee is fixed with reference to the value of a basket of currencies, mainly of countries which are India's major trading partners. In a regime of floating exchange rates, therefore, upward or downward movements of the value of the rupee, which depend on the fluctuation in the value of these currencies, is a normal phenomenon.

(b) The impact on the balance of payments position is taken into account in the exchange rate policy through the procedures mentioned in (a) above. The exchange rate is one of the policy instruments, which is used to achieve the developmental objectives. An appropriate balance has to be maintained in respect of the rupee exchange rate keeping in view the inflation rate in India and other major countries and our needs for external resources including our external financial and other obligations. As the exchange rates of major currencies are